

# TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

April 26, 2002

Christine McLaughlin  
Alston & Bird, LLP  
601 Pennsylvania Avenue, N.W.  
North Building, 10<sup>th</sup> Floor  
Washington, DC 20004-2601

Re: *Docket # 02-00465*

Ms. McLaughlin:

The Authority has reviewed the petition of CRG International d/b/a Network One ("Network One") requesting approval of the transfer of the customer base of Network One to OneStar Communications, LLC (OneStar Comm") and its affiliate, OneStar Long Distance ("OneStarLD"). The Authority approved the transfer of certain assets of Network One to OneStar Comm by Order dated October 22, 2001, in Docket #01-00628. The assets approved for transfer included Network One's "customer base, certificate and operational control." It is the understanding of the Authority that the transaction went forward, but that the customer base was not transferred at that time.

Since the time of that approval, the Authority has adopted an amendment to the rules concerning customer base transfers. Rule 1220-4-2-.56 (2)(d) requires the following actions by telecommunications providers that are transferring customer bases in order to assure that "sufficient notice has been given and approval received from the affected customers":

1. The acquiring telecommunications service provider shall provide the Authority a copy of the self-certification letter it shall file with the Federal Communications Commission ("FCC"), as required in CC Docket No. 00-257, certifying that the customer transfer is in compliance with all FCC regulations governing such transactions.
2. A notification letter, pre-approved by the Authority, shall be mailed by U.S. First Class Postage by the telecommunications service provider being acquired to its customers describing the customer transfer and explaining that the customer's local or long distance service will be transferred to the acquiring telecommunications service provider by a certain date unless the customer selects another telecommunications service provider. This customer notification shall be mailed to the customers no less than thirty (30) days prior to the actual customer transfer. The notification letter required by the FCC may be used for the

notification purposes of this part. The Authority may waive the thirty (30) day notice requirement of this part for good cause shown.

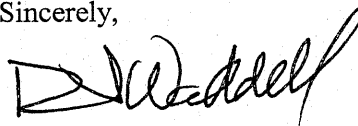
3. The acquiring telecommunications service provider agrees to pay any fees charged to the customer associated with changing service to the acquiring telecommunications service provider. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.
4. The acquiring telecommunications service provider agrees to provide to the affected customers a thirty (30) day written notice of any rate increase that may affect their service up to ninety (90) days from the date of the transfer of customers. The notification letter required in 1220-4-2-.56(2)(d)(2) shall inform the customer of this provision.

The Authority has reviewed the letters recently sent to Network One customers by both Network One and OneStar Comm and finds the information in the letters to be consistent with the aforementioned rule. The Authority notes that prior approval of the letter was not obtained, as is required by the rule, and the Authority further notes that the matter is pending before the FCC. The Authority understands that Network One was somewhat surprised by the fact that its lenders recently terminated its financing and that very little time was available to obtain regulatory approval before effecting the customer base transfer.

As the Authority has previously approved the transfer of this same customer base to OneStar Comm, and as the letters sent to customers meet informational requirements, and as FCC approval has been sought, the Authority has determined that no further action is required. The Authority does note, however, that OneStarLD is not certificated to provide telecommunications services in Tennessee, and that Tennessee customers should be served by the certificated carrier, OneStar Comm.

If you have any questions concerning this matter, or require additional information, please contact Rosie Gregory at [Rose.Gregory@state.tn.us](mailto:Rose.Gregory@state.tn.us) or at 615-741-2904, ext 156.

Sincerely,



David Waddell  
Executive Secretary

c: Ami Larrison (OneStar)  
Eddie Roberson  
Carsie Mundi  
Dockets & Records (Docket #02-00465)  
EAD File (Docket #02-00465)